THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Under the Foreign Direct Investment (FDI) policy of the Government, some multinational companies have set up agro-based industries. The entry of these companies has led to increase in competitiveness and investment and improvement in product quality in the domestic industry. However, some units in rural areas do close down.

(b) Existing units/self-employment ventures, which were set up with credit from banks and margin money assistance from the Government but have now become sick, are eligible for rehabilitation assistance available to sick units in the Small Scale Industries (SSI) sector, as per the guidelines issued by the Reserve Bank of India (RBI) in January, 2002. These guidelines include measures for *inter alia,* waiver of penal interest on cash credit and term loan from the year the units started making cash losses, segregation of unpaid interest on cash credit and term loan from the total liability and treating the former amout as a separate interest-free loan, reduced rate of interest (reduction of up to 3 per cent for tiny units) to be charged on unpaid term loans, additional working capital loan to be given at a rate of interest not exceeding the prime lending rate, etc.

Further, based on the "Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)" announced by the Government in the Parliament on 10th August, 2005, the RBI has issued guidelines on 8th September, 2005 to all public sector banks that envisage debt restructuring mechanism for nursing sick/potentially sick SME units back to health.

(c) Yes, Sir.

Scheme of Fund for Regeneration of Traditional Industries

718. SHRI RAJEEV SHUKLA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the status of implementation of "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" as approved by Government last year;

(b) whether work has begun on development of any of the proposed hundred clusters (25 khadi, 50 village industries and 25 Coir clusters) under the scheme; and

(c) if so, the details thereof?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) The Central Government has approved the Scheme of Fund for Regeneration of Traditional Industries (SFURTI). This Scheme envisages the development of 100 clusters in the khadi, coir and village industries sector over five years beginning 2005-06. All State Governments/Union Territory Administrations have been asked to send their proposals.

50 proposals (25 in the khadi sector, 9 in the village industry sector and 16 in the coir sector) have so far been received by the Government in the Ministry of Agro and Rural Industries for consideration under the scheme.

Spinners and weavers of khadi in rural areas

719. SHRIMATI HEMA MALINI: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that spinners and weavers of khadi have lost their jobs in rural areas;

(b) if so, what are those areas and what necessitated to make the spinners and weavers out of job;

(c) whether any steps are being considered to put back the affected spinners and weavers; and

(d) if not, the reasons therefor?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) The employment of spinners and weavers of khadi declined considerably during the period 1996-2002 but has shown some improvement since then. The decline was higher in the States of Uttar Pradesh, Bihar, Madhya Pradesh, Gujarat and Maharashtra. Spinning and Weaving of khadi and further production processes are carried out by khadi institutions which are autonomous bodies, generally registered as societies and supported by the Central